MANITOBA CHICKEN BROILER PRODUCERS MARKETING BOARD

NINETEENTH ANNUAL MEETING

March 24, 1987

International Inn
1808 Wellington Ave.

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

NINETEENTH ANNUAL MEETING

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Waldie Klassen
Chairman
District #4

Ivan Olmstead
District #1

Stan Antonissen
District #5

DIRECTORS

Erwin R. Plett
Vice-Chairman
District #2

John Friesen
District #3

MANITOBA CHICKEN PRODUCERS' MARKETING BOARD

Burton F. Waters
General Manager

Ken Harrison
Assistant Manager

STAFF

Shirley Brown
Secretary

Linda Hogue
Senior Home Economist

Janice Hutsal
Home Economist

Kerri Dexter
Secretary

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD
NINETEENTH ANNUAL MEETING

March 24, 1987

A G E N D A

9:30 a.m.	- Registration - Coffee & Donuts
10:00 a.m.	- Chairman's Remarks - Waldie Klassen - Early Bird Draw - Registered Producers In Attendance - Steve Pilot - Minutes of the Eighteenth Annual Meeting - Discussion Period
10:30 a.m.	- Producer Board Report - Erwin Plett - Manager's Report - Burt Waters - Discussion Period - Manitoba Poultry Health Advisory Committee Report - Stan Antonissen - Discussion Period
11:00 a.m.	- Canadian Chicken Marketing Agency Report - Mr. Roger Cramm - Discussion Period
11:30 a.m.	- Auditor's Report - Mr. G. Chaput Forest, Guenette, Chaput - Discussion Period - Proposed Budget - Ivan Olmstead
12:00 p.m.	- Luncheon - Guest Speaker - Mr. David Gislason Chairman - Manitoba Natural Products Marketing Council
2:00 p.m.	- Nominations Closed & Election Conducted - Export Report - Burt Waters - Discussion Period
2:30 p.m.	- Promotion Report - Linda Hogue - Discussion Period
3:00 p.m.	- Keystone Agricultural Producers Inc. Report - John Friesen
3:15 p.m.	- New Business - - -
4:00 p.m.	- Adjournment & Coffee

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

CHAIRMAN'S REPORT

Welcome to the Nineteenth Annual Meeting of the Broiler Producers of Manitoba.

As your Chairman I would like to give you a short overview of 1986.

The Board met twenty-five times this past year for regular meetings plus two times for pricing meetings. In addition the Board members represented you on various committees or organizations such as Keystone Agricultural Producers, Hatching Egg Producers and the Manitoba Poultry Health Advisory Committee. We have distributed the work load among the Board members to make it a little easier for everyone.

Mr. Erwin Plett and myself have represented Manitoba on the Canadian Chicken Marketing Agency as the Alternate and Director respectively. As Manitoba representatives we have tried to present the concerns of Manitoba producers on the different subjects at the Canadian Chicken Marketing Agency. As Director on the Agency I have travelled on Agency business twelve times during 1986.

It has been a challenge and a pleasure serving you, the growers, during the past years. As you see I have been away from home a considerable amount of time, fortunately this past year I have had additional help to keep the farm operating smoothly.

In the Producer Board Report you will see many of the issues the Board was involved with and the decisions that had to be made. Many of these issues were difficult and time consuming but we always came to a conclusion.

I would like to take this opportunity to say a few sincere thank yous, to the people we rub shoulders within the operation of the Board.

First I would like to thank the growers for the confidence and trust you have placed in the Board, and me, as Chairman. Maybe the work done has made our situation on the farm more comfortable and profitable.

Also I would like to thank the Board members for their support. Many hard decisions had to be made but we also had enjoyable times. I see the directors as good friends and enjoy getting to know them better.

I would also like to express my appreciation to the processors. We do not always agree but appreciate your input into the industry.

I take this occasion to thank the staff, for their dedication and hard work, in the many ways that they make our work easier. We have four people on staff for the administrative work, plus two home economists. They are all a pleasure to know and work with.

Waldie Klassen
Chairman

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

PRODUCER BOARD REPORT

The year began with a strong demand and good prices, but as the year progressed the demand kept increasing but prices softened. Prices did however level out and remained somewhat steady.

We began the year with storage stocks of 985,000 Kgs for Manitoba and 13,093,000 Kgs for Canada but ended the year with 956,000 Kgs for Manitoba and 10,768,000 Kgs for Canada, a 3% and 18% decrease respectively.

The allocation for Canada in 1986 was 475,700,633 Kgs and the production was 470,551,378 Kgs or 98.92% utilization. The allocation for Manitoba was 20,674,987 Kgs and the production was 19,289,704 Kgs which is 93.3% utilization.

All birds marketed through a registered plant must be covered by permit or quota. Permits were issued to those with a historic record of marketing birds through registered plants.

Permits issued in 1985 and 1986 were as follows:

	No. of Permits	Total Weight
1985	38	73,823 Kg live weight
1986	31	71,537 Kg live weight

There were thirteen price changes during the year. On May 5, 1986 a two price system for broilers was established. The price decrease during the year can be attributed to a weakening of the wholesale price and the high inventory levels. The price varied up and down during the year.

A new cost of production study is being implemented and should begin sometime in June 1987.

At the end of the Producer Board Report there are charts showing the paying price during the year, the density levels and the cost of production on a monthly basis.

Quotas and Certified Building Capacity

Quotas and certified building capacities were changed in 1986 and now are as follows:

	1986	1987
Cornish Game Birds	63,500 sq. ft.	71,900 sq. ft.
Broilers	1,995,400 sq. ft.	2,084,916 sq. ft.
Roasters/Jr. Roasters	242,500 sq. ft.	275,720 sq. ft.
	2,301,400 sq. ft.	2,432,536 sq. ft.

Production is now expressed as follows:

Category	Kgs/sq.ft.	Cycle
Cornish Game Birds	1.3372	6 weeks
Broilers	2.00	9 weeks
Roasters	2.6544	12 weeks

These levels are full density and more accurately state the production between categories as set out in the new Quota Order. The production in each category is now more equitable.

Any change in production levels and density in future will be stated and allocated as a percentage of these base figures.

The allocated live weight production potential is as follows:

1987	11.75 Kg/sq. ft. of building space
1986	12.00 Kg/sq. ft. of building space
1985	11.31 Kg/sq. ft. of building space
1984	10.73 Kg/sq. ft. of building space

Registration

The following changes were made in registration during 1986:

Peter T. Kehler to Tourond Farms Ltd.

This was a re-allocation from one producer to another and the quota was transferred to the new producer.

Peter J. Neufeld to Tom & John Neufeld

This was a with-in family re-allocation and the quota was not affected.

Dave Kauenhofen to Kurt Schroeder

This was a re-allocation from one producer to another and the quota was transferred to the new producer.

Derry Farms Ltd. to Sprucewood Colony

This was a re-allocation from one producer to another and the quota was transferred to the new producer.

H. N. H. Farms to Ed & Margaret Guenther

This was a re-allocation from one produer to another and the quota was transferred to the new producer.

Samuel Waldner to 73650 Manitoba Limited

This was a change in registered name and the quota was not affected.

D.D.F. Warkentin to William & Helene Friesen

This was a with-in family re-allocation and the quota was not affected.

William Schmitke to Super-Gro Ltd.

This was a change in registered name and the quota was not affected.

The increase in quota for 1986 resulted in the Board issuing ten new barns. Five barns were in production in 1986, pressure forced the Board to delay the five other barns until 1987. The second five barns will be in production on or after March 16, 1987.

The following is a list of the ten new barns that were issued for production in 1986 and 1987. These barn were issued 10,000 square feet of quota each. Two barns were issued 5,000 square feet each.

Mr. Louis Dorge	10,000 square feet - Regulars
Mr. Henry E. Klassen	10,000 square feet - Regulars
Mr. Peter Wiebe	5,000 square feet - Regulars
Mr. Dick Wiebe	5,000 square feet - Regulars
Mr. E. R. Giesbrecht	10,000 square feet - Regulars
Mr. Murray Barkman	10,000 square feet - Junior Roasters
Mr. Norman Warkentin	10,000 square feet - Junior Roasters
Mr. Samuel Waldner	10,000 square feet - Regulars
Mr. W. C. Doerksen	10,000 square feet - Junior Roasters
Mr. Earl Plett	10,000 square feet - Junior Roasters
Mr. K. P. Stepushyn	10,000 square feet - Junior Roasters

Small producers under 5,000 square feet were increased to that level. The following is a list of the producers whose quotas were increased:

Leonard Dueck	1,500 square feet - Game Birds
Jac P. Friesen	1,800 square feet - Regulars
George L. Goossen	2,400 square feet - Game Birds

Some minor changes were also made to addresses and telephone numbers.

Producer Board Meetings

The Board met twenty-five times including the Annual Meeting.

The work load of the Board was shared as follows:

Chairman	Waldie Klassen
Vice Chairman	Erwin Plett
C.C.M.A. Delegate	Waldie Klassen
C.C.M.A. Alternate Delegate	Erwin Plett
Keystone Agricultural Producers Inc.	John Friesen
Manitoba Poultry Health Advisory Committee	Stan Antonissen

Promotion

Linda Hogue is our Senior Home Economist whose services are shared by the Chicken Broiler Producers' Marketing Board, Turkey Producers' Marketing Board and Vegetable Producers' Marketing Board. Linda, together with an assistant, Janice Hutsal, are involved in the promotional activity of the Boards. Linda will present a full report later.

The barbecue grates were again well used during the summer months. For easier access to the grates they are stored at some of the directors premises.

Charts

There are several charts attached for your information. They are as follows:

1. Prices
2. Density Levels
3. Number of Producers and Registered Square Feet by District
4. Cost of Production Figures

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

PAYING PRICES

PERIOD	BROILERS		ROASTERS (2.95 to 3.17)	ROASTERS (+3.18)
anuary 1 - January 20	1.07		1.14	1.16
anuary 21 - May 4	1.06		1.13	1.15
ay 5 - May 25	1.06	1.04	1.11	1.13
ay 26 - July 20	1.04	1.02	1.09	1.11
uly 21 - August 4	1.06	1.04	1.11	1.13
ugust 5 - August 17	1.08	1.06	1.13	1.15
ugust 18 - August 24	1.10	1.08	1.15	1.17
ugust 25 - September 1	1.12	1.10	1.17	1.19
eptember 2 - September 14	1.14	1.12	1.19	1.21
eptember 15 - October 26	1.12	1.10	1.17	1.19
ctober 27 - November 2	1.10	1.08	1.15	1.17
ovember 3 - November 30	1.08	1.06	1.13	1.15
ecember 1 - December 21	1.07	1.05	1.12	1.14
ecember 22 -	1.05	1.03	1.10	1.12

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

DENSITY LEVELS
1986

PERIOD	Cornish Game Birds KGS/SQ.FT.	Broilers KGS/SQ.FT.	Junior-Roasters KGS/SQ.FT.
January 1 - September 14	1.3372	2.00	2.6544
September 15 marketings -	1.20348	1.8	2.38896

Density Levels reflect metric change

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD
1987
NUMBER OF PRODUCERS AND REGISTERED SQUARE FEET BY DISTRICT

SQUARE FEET	UNDER 5,000	5,000 10,000	10,001 15,000	15,001 20,000	20,001 25,000	25,001 30,000	OVER 30,001	NUMBER OF PRODUCERS	TOTAL REG. SQ. FT.	NUMBER OF PRODUCERS	ANNUAL BIRD QUOTA
DISTRICT 1	-	11	5	3	2	1	2	24	474,748	3	16,000
DISTRICT 2	-	9	4	2	2	-	4	21	411,640	1	10,500
DISTRICT 3	-	9	7	4	4	-	3	27	438,590	-	-
DISTRICT 4	-	9	3	4	2	-	3	21	506,890	1	10,000
DISTRICT 5	-	18	9	9	4	1	2	43	600,668	2	8,000
TOTAL PRODUCERS	-	56	28	22	14	2	14	136	-	7	-
TOTAL REGISTERED SQUARE FEET		447,348	341,720	377,558	318,410	57,200	890,300	-	2,432,536	-	44,500

MANITOBA

CANADIAN CHICKEN MARKETING AGENCY
Cost of Production Update
($ PER KG)

1986

MONTH & DATE	January 6, 1986	February 3, 1986	March 3, 1986	April 7, 1986	May 5, 1986
Average Weight (Kg)	1.85	1.85	1.85	1.85	1.85
COST COMPONENTS					
Feed	.4995	.5055	.5132	.5138	.5121
Chicks	.2369	.2369	.2369	.2369	.2369
Labour	.0982	.0913	.0913	.0913	.0907
PRODUCTION OVERHEADS					
Repairs & Maintenance	.0120	.0122	.0122	.0122	.0124
Energy	.0632	.0632	.0632	.0632	.0629
Catching	.0147	.0145	.0145	.0145	.0147
Other	.0120	.0119	.0119	.0119	.0120
Business Overheads	.0223	.0221	.0221	.0221	.0223
Return on Net Book Value of Assets	.0417	.0495	.0522	.0522	.0505
Depreciation	.0441	.0441	.0441	.0441	.0441
Risk	.0022	.0022	.0022	.0022	.0022
LEVY					
Provincial	.0079	.0079	.0079	.0079	.0079
Agency	.0021	.0021	.0021	.0021	.0021
Total Producer Costs	1.0568	1.0634	1.0738	1.0744	1.0708
Provincial Producer Price	1.0700	1.0600	1.0600	1.0600	1.0400
Average Cost of Feed ($/Ton)	240.72	243.61	247.33	247.62	246.80
Average Cost of Chick	0.4150	0.4150	0.4150	0.4150	0.4150

MANITOBA

CANADIAN CHICKEN MARKETING AGENCY
Cost of Production Update
($ PER KG)

1986

MONTH & DATE	June 2, 1986	July 7, 1986	August 5, 1986	September 2, 1986	October 6,1986
Average Weight (Kg)	1.85	1.85	1.85	1.85	1.85
COST COMPONENTS					
Feed	.5124	.5153	.5179	.5159	.5017
Chicks	.2369	.2369	.2369	.2369	.2483
Labour	.0907	.1005	.1005	.0923	.0930
PRODUCTION OVERHEADS					
Repairs & Maintenance	.0124	.0126	.0126	.0128	.0128
Energy	.0629	.0635	.0635	.0572	.0572
Catching	.0147	.0148	.0148	.0145	.0145
Other	.0120	.0121	.0121	.0119	.0119
Business Overheads	.0223	.0225	.0225	.0220	.0220
Return on Net Book Value of Assets	.0505	.0483	.0483	.0441	.0441
Depreciation	.0441	.0441	.0441	.0460	.0441
Risk	.0022	.0022	.0023	.0023	.0022
LEVY					
Provincial	.0079	.0079	.0079	.0079	.0079
Agency	.0021	.0021	.0021	.0021	.0021
Total Producer Costs	1.0711	1.0828	1.0855	1.0659	1.0618
Provincial Producer Price	1.0200	1.0200 1.0400	1.0800 1.0600	1.1400 1.1200	1.1200 1.1000
Average Cost of Feed ($/Ton)	246.94	248.34	249.59	248.63	241.78
Average Cost of Chick	0.4150	0.4150	0.4150	0.4150	0.4350

MANITOBA

CANADIAN CHICKEN MARKETING AGENCY
Cost of Production Update
($ PER KG)

1986

MONTH & DATE	November 3, 1986	December 1, 1986			
Average Weight (Kg)	1.85	1.85			
COST COMPONENTS					
Feed	.4842	.4749			
Chicks	.2483	.2483			
Labour	.0925	.0910			
PRODUCTION OVERHEADS					
Repairs & Maintenance	.0128	.0130			
Energy	.0572	.0578			
Catching	.0145	.0149			
Other	.0119	.0122			
Business Overheads	.0220	.0226			
Return on Net Book Value of Assets	.0441	.0444			
Depreciation	.0441	.0441			
Risk	.0022	.0022			
LEVY					
Provincial	.0079	.0079			
Agency	.0021	.0021			
Total Producer Costs	1.0438	1.0354			
Provincial Producer Price	1.0800 1.0600	1.0700 1.0500			
Average Cost of Feed ($/Ton)	233.35	228.87			
Average Cost of Chick	0.4350	0.4350			

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CANADIAN CHICKEN MARKETING AGENCY
Cost of Production Update
($ PER KG)

1986

MONTH & DATE	January 6, 1986	February 3, 1986	March 3, 1986	April 7, 19896	May 5, 1986
Average Weight (Kg)	3.23	3.23	3.23	3.23	3.23
COST COMPONENTS					
Feed	.6440	.6500	.6580	.6636	.6618
Chicks	.1509	.1509	.1509	.1509	.1509
Labour	.1484	.1512	.1512	.1512	.1557
PRODUCTION OVERHEADS					
Repairs & Maintenance	.0217	.0222	.0222	.0222	.0223
Energy	.0765	.0775	.0775	.0775	.0775
Catching	.0147	.0144	.0144	.0144	.0144
Other	.0268	.0262	.0262	.0262	.0262
Business Overheads	.0253	.0248	.0248	.0248	.0248
Return on Net Book Value of Assets	.0727	.0836	.0882	.0882	.0856
Depreciation	.0588	.0588	.0588	.0588	.0588
Risk	.0024	.0025	.0025	.0025	.0025
LEVY					
Provincial	.0079	.0079	.0079	.0079	.0079
Agency	.0021	.0021	.0021	.0021	.0021
Total Producer Costs	1.2522	1.2721	1.2847	1.2903	1.2905
Provincial Producer Price	1.1600	1.1500	1.1500	1.1500	1.1300
Average Cost of Feed ($/Ton)	238.52	240.74	243.70	245.78	245.11
Average Cost of Chick	0.4300	0.4300	0.4300	0.4300	0.4300

MANITOBA

CANADIAN CHICKEN MARKETING AGENCY
Cost of Production Update
($ PER KG)

1986

MONTH & DATE	June 2, 1986	July 7, 1986	August 5, 1986	September 2, 1986	October 6, 1986
Average Weight (Kg)	3.23	3.23	3.23	3.23	3.23
COST COMPONENTS					
Feed	.6606	.6635	.6664	.6662	.6511
Chicks	.1509	.1509	.1509	.1509	.1825
Labour	.1557	.1544	.1544	.1544	.1543
PRODUCTION OVERHEADS					
Repairs & Maintenance	.0223	.0225	.0225	.0229	.0229
Energy	.0775	.0773	.0773	.0670	.0670
Catching	.0144	.0145	.0145	.0145	.0145
Other	.0262	.0265	.0265	.0265	.0265
Business Overheads	.0248	.0250	.0250	.0250	.0250
Return on Net Book Value of Assets	.0856	.0801	.0801	.0773	.0742
Depreciation	.0588	.0588	.0588	.0588	.0588
Risk	.0025	.0025	.0025	.0025	.0025
LEVY					
Provincial	.0079	.0079	.0079	.0079	.0079
Agency	.0021	.0021	.0021	.0021	.0021
Total Producer Costs	1.2893	1.2860	1.2889	1.2760	1.2893
Provincial Producer Price	1.1100	1.0900 1.1100	1.1300 1.1500	1.1900 1.2100	1.1700 1.1900
Average Cost of Feed ($/Ton)	244.74	245.74	246.82	246.74	241.15
Average Cost of Chick	0.4300	0.4300	0.4300	0.4300	0.4500

MANITOBA

CANADIAN CHICKEN MARKETING AGENCY
Cost of Production Update
($ PER KG)

1986

MONTH & DATE	November 3, 1986	December 1, 1986			
Average Weight (Kg)	3.23	3.23			
COST COMPONENTS					
Feed	.6303	.6142			
Chicks	.1825	.1825			
Labour	.1558	.1510			
PRODUCTION OVERHEADS					
Repairs & Maintenance	.0229	.0230			
Energy	.0670	.0663			
Catching	.0145	.0147			
Other	.0265	.0268			
Business Overheads	.0250	.0253			
Return on Net Book Value of Assets	.0742	.0743			
Depreciation	.0588	.0588			
Risk	.0025	.0025			
LEVY					
Provincial	.0079	.0079			
Agency	.0021	.0021			
Total Producer Costs	1.2700	1.2494			
Provincial Producer Price	1.1300 1.1500	1.1200 1.1400			
Average Cost of Feed ($/Ton)	233.44	227.48			
Average Cost of Chick	0.4500	0.4500			

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

MANAGER'S REPORT

The year 1986 was my first full year as the Manager of the Board. Such terminology as "Quota Order", "National Plan", "Provincial Quotas", "Allocations" and such are now well entrenched in my mind. However, every once and awhile a much less used terminology such as "Liquidated Damages" or "Promotion Agreement", to name a couple, are used just to keep one on his toes and the reference material and Policy books close by.

There never seems to be a shortage of reading material arriving from the Agencies almost daily. However this is necessary as our industry is constantly fine tuning and developing its policies and programs to better meet the ever increasing demand for our products.

The year seemed to pass very quickly and I feel quite successfully for most poultry producers in the Province. We started the year with freezer storages bulging with product, mostly chicken of which most of it was the wrong size, however, the year ended in a much better position due mainly to a Board Policy change on price and days to market. Also Manitoba had a successful promotion on Turkey for March which seemed to build throughout the remainder of the year. This momentum saw Manitoba have the biggest increase in consumption of deboned meat and parts than any other province in Canada. These programs and others must be aggressively carried on and expanded if Manitoba is to maximize its tremendous potential to produce and market poultry products in the future.

The Poultry Industry in Canada, which follows the U.S. Industry by a few years, is experiencing strong continued growth. In fact, in the U.S. they are now expecting the average per capita consumption of poultry meat to surpass that of beef in 1988, two years before earlier predicted. However we must not become complacent and take for granted that this consumption increase over the last few years will continue at the same rate or will be handed to us by the other competitive meats without a fight. In Canada the Beef and Pork Industries are spending millions of dollars to promote their products, in fact, the Beef Industry alone will spend approximately two million dollars over the next year to try to win back consumers from poultry. In the U.S. the red meat sector is expected to spend eighty million dollars on a campaign aimed at gaining back market share from white meats. In fact the U.S. Pork Industry has launched a campaign with the slogan "PORK - The Other White Meat" aimed at the poultry meat

sector and its popularity with consumers. So you see we must out hussle the red meat industry and continue to promote our products as they are not about to let us take more of their market share without fighting back.

Besides promoting our products the Board is also continuing to stress the positive aspects of our Marketing Board System and the good service it renders to the producers and consumers alike. The poultry industry continues to be a bright light in a rather dark and gloomy agricultural scene, without the need for subsidies. In this aspect we must continue to show the advocates of Free Trade we can produce a high quality, reasonably priced product and continue to increase our market share against all competition. We must continue to become more and more efficient and not let quality suffer. We must also continue to produce what the consumer wants and when or someone else will.

To wind up this report I would like to say a word about the Board Office.

The Directors made a decision in 1986 that the office should enter the 20th century and become computerized. I am pleased to report that our computer has just recently been installed. However not fully operational as yet but hopefully will be by this time next year. The staff still needs instruction and practise in the use of this equipment, which we plan to accomplish once the annual meetings are completed and more time is available. This equipment will hopefully assist the office in keeping up with the ever increasing work load and Board Programs which are necessary for our expanding industry.

I would like at this time to thank the Chairman, the Directors and producers for their willing co-operation with myself and the office throughout 1986 and the staff for their loyal dedication and hard work for the betterment of the poultry industry in Manitoba.

MANITOBA POULTRY HEALTH ADVISORY COMMITTEE REPORT

The Manitoba Poultry Health Advisory Committee (M.P.H.A.C.) was formed as a committee from various organizations and groups directly involved in the poultry industry of Manitoba. The initial and subsequent meetings were held at the Agricultural Services Complex at the University of Manitoba. The first meeting was in April, 1986, where the following groups that had been contacted, were represented by an individual.

1. Manitoba Hatchery Association
2. Manitoba Feed Industry Association
3. Manitoba Egg and Poultry Processors
4. Manitoba Egg Producers' Marketing Board
5. Manitoba Chicken Broiler Producers' Marketing Board
6. Manitoba Turkey Producers' Marketing Board
7. Manitoba Broiler Hatching Egg Commission
8. Private Veterinarian
9. Veterinary Services Branch (Provincial Government)

Don Waddell, Chief of the Poultry and Feed Analysis Section, was the Acting Chairman at the meetings.

A major project was undertaken as a result of our meetings. The need for the purchase of an Elisa Blood Testing Machine for the Veterinary Diagnostic Laboratory was discussed at the M.P.H.A.C. level and at the Marketing Board level. Funding was to come from the various poultry boards, basis on their annual production values, plus donations from the other associations involved. The Chicken Marketing Board's contribution, based on total chicken production values, was 25% of the approximate purchase price of $24,000.00.

Discussions also resulted from the various disease outbreaks in the chicken sector of the poultry industry. Most notable has been the continuing outbreak of I. L. T. This disease has resulted in premises being quarantined and fowl destroyed. There has been indications that the spread has come from small fancy fowl flocks and hobby farms with a few birds. This points out the importance of security for commercial operators to restrict travel between all, large or small, poultry operations. The M.P.H.A.C. is trying to educate all sectors of the poultry industry by news releases and letters to various boards and associations and in turn advising their own members.

The Manitoba Chicken Producers' Marketing Board will continue to support and be a member of this health committee.

Any concerns in the area of poultry health in the chicken industry or any other health area of the poultry industry can be discussed at these committee meetings.

We urge you to raise your concerns by contacting myself, as your representative to the committee, or by phoning the Board Office.

Prepared By:

Randy Penner
Director - M.T.P.M.B.

MESSAGE FROM THE GENERAL MANAGER

With a lean and efficient complement of only 12 highly dedicated and motivated employees, the national Agency in 1986 has had a very good year in the way of achievements.

Where direct support to the Board of Directors is concerned, the national Agency office is involved in policy development and implementation; financial, personnel and day-to-day operational management; extensive liaison with its varied publics; as well as planning and implementing an on-going process to promote marketing effectiveness and public awareness of chicken to increase consumer demand and be supportive of producers.

In 1986, a partial list of major Agency achievements includes;

- Consolidation of all of the Agency's regulations and their subsequent distribution to all signatories to improve communication with industry participants;
- Provision of information, documentation, resources, planning and follow-up for a total of 36 meetings in 1986 directly involving activities of Board members or on average a meeting every 10 days to deal with Agency affairs;
- Development of a management information data base to improve Agency forecasting and to provide up-to-date information to Directors on imports, slaughter, retail, processor and live prices as well as market conditions in both Canada and the US;
- Documentation review for four appeals launched by provincial commodity boards against the Agency, preparation of the Agency reply and attendance at appeal hearings. Two appeals related to distribution of quota, one pertained to a liquidated damages assessment and one involved the Agency's LDA Resolution. The NFPMC responded in the Agency's favour in all four cases.
- Set up of an ongoing information exchange with important groups in the U.S. involved in the poultry business, including the US Department of Agriculture, the National Broiler Council, the National Farmers' Union and the office of the U.S. Trade representative;

- Promotion of effective relationships with numerous officials in Federal Government departments whose policies and legislation affect chicken production and marketing in Canada, in particular Agriculture Canada, External Affairs and the National Farm Products Marketing Council.
- Formation of a Parity Committee to review the extent of inequities among the ten provinces and report its findings to the Agency Directors.

Expansion on some of the above and highlights of other areas where important progress was made in 1986 follow:

COMMUNICATIONS BETWEEN THE AGENCY AND OTHERS

Efforts started in 1985 were greatly increased in 1986 to promote an effective liaison and work with all Signatories including provincial marketing boards, producers, processors, further processors, the National Farm Products Marketing Council, Agriculture Canada, news media, other agencies, etc. to keep them informed of developments in the chicken industry and enhance the understanding of the needs of all partners in the chicken business.

The Agency communications area was significantly expanded and a Communications officer was employed. News clippings services to the Board and provincial Secretary-Managers have been improved. A newsletter to provincial Boards is being planned. Regular reports on the trade talks have been provided to the Board and this is being expanded into a monthly report. Meetings have been held with the three political parties on Parliament Hill and more meetings are being planned for the new year. Briefs were prepared for presentation to the House of Commons' Agriculture Committee, to various provincial Ministers and to the Canada-U.S. Trade Talks team. A booklet, "Something to Crow About: Report on the Success of the Canadian Chicken Industry", was prepared and widely distributed. This booklet identifies the benefits of supply management for chicken and emphasizes the success of our industry. Relations with the media were improved and expanded.

We intend to continue to develop a full range of services to the Board and the chicken industry in the communications area in 1987.

ECONOMIC DATA BASE

The Agency completed work on a computerized economic data base during the latter part of 1986. This data base includes Agriculture Canada statistics on chicken slaughter, storage stocks, imports, exports and average monthly prices to producer, wholesaler and retailer for the past three decades. As well, statistics concerning the interprovincial movement of live chicken since 1980 were incorporated into the data base.

The introduction of this data base allows the Agency to undertake more in-depth analyses, forecasts, and projections resulting in more comprehensive and useful reports. We also look forward to being able to monitor the economic situation more closely and to increasing the overall efficiency of chicken production and marketing.

FINANCIAL AND MONITORING SERVICES

FINANCE

Financial Reports were presented periodically to Agency members during the year. The Agency purchased a computerized accounting system late in 1986. Testing should be completed early in 1987 with the system becoming fully operational shortly thereafter. The benefits of the new system include easier data retrieval, enhanced management and financial information as well as increased clerical efficiency.

PROVINCIAL BOARD AUDITS

Pursuant to fulfilling the Agency's responsibilities as set out in the Federal-Provincial Agreement, the auditing staff have conducted a review of the current system, books and records relating to the levies of the intraprovincial movement transactions of all provincial boards. All audits conducted were satisfactory, ensuring that the Agency's portion of the levies on reported transactions has been correctly remitted to the Agency.

OTHER AUDITS

During 1986, some 40 audits were conducted by the Agency, including audits to ensure compliance with Agency regulations as well as special audits at the request of parties involved in the industry. Written reports have been prepared and discussed with management, and appropriate corrective action has been taken where it was deemed necessary.

INTERPROVINCIAL MOVEMENT TRANSACTIONS

Interprovincial movement reports are currently being forwarded to the provincial commodity boards on a monthly basis. To improve the monitoring of interprovincial transactions, reporting with supporting documentation will be done on a weekly basis commencing in early 1987.

LIQUIDATED DAMAGES ASSESSMENT

Due to the fact that verification of provincial production quota is not made until the end of the period following the year of production, the assessments quoted below are for the 1985 calendar year:

British Columbia - assessed a production cut-back of 1,159,697 kilograms and liquidated damages of $179,455;
Ontario - assessed a production cut-back of 1,382,961 kilograms;
Quebec - assessed a production cut-back of 967,195 kilograms;
New Brunswick - assessed a production cut-back of 269,913 kilograms and liquidated damages of $37,426; and
Nova Scotia - assessed a production cut-back of 20,245 kilograms.

The New Brunswick Chicken Marketing Board appealed the Agency's decision in respect of the assessment of liquidated damages to the National Farm Products Marketing Council. A hearing was held during May, 1986 and the Council subsequently supported the Agency's assessment.

All liquidated damages were paid during 1986. The provinces of Ontario, New Brunswick and Nova Scotia took their full production cut-back during 1986. The provinces of British Columbia and Quebec

have elected to absorb 50% of their cut-back during 1986, with the remainder to be taken in early 1987.

PERIODIC PENALTY SYSTEM

During 1986, the Agency continued its review of the Liquidated Damages Assessment procedures. The objective was to ensure that allocated quota is produced as scheduled by making parties more responsible for their over and under-marketings. The most effective method of achieving this goal is through the introduction of a periodic penalty system.

To this end, a proposed amended Liquidated Damages Assessment Procedure was presented to Agency members incorporating periodic monetary penalties. Before a decision could be reached by the members, the signatories from the province of Saskatchewan appealed to the National Farm Products Marketing Council against the implementation of these amendments. The Agency decided to postpone the implementation of the periodic penalty system until Council had rendered its decision and it had been reviewed by the Agency. This has effectively delayed implementation of the periodic penalty system. However the Agency is hopeful that, with further study and review, a periodic penalty system can be accepted in 1987 for implementation in 1988.

SUPPLEMENTARY IMPORT PERMITS

The number of requests for supplementary import permits levelled off at 52 in 1986 after a sharp decline to 45 in 1985 from 260 requests in 1984. The months of highest demand were September and November. Requests in 1986 totalled approximately 4.5 Mkgs eviscerated of chicken (whole or parts) and 54,000 kgs of chicken hearts. The breakdown of requests by type of product is as follows: 1.4 Mkgs parts, 1.5 Mkgs special-sized broilers, 1.0 Mkgs regular broilers, and 0.7 Mkgs roasters. Of the amount requested, the Agency was able to source 3.2 Mkgs domestically which is in excess of 70% of the quantity requested.

The particular challenge faced in 1986 while sourcing product was in the area of special-processed broilers. For the 23 requests

received for this type of broiler, there was limited success in sourcing. In addition, minimal amounts of chicken hearts were sourced when requested.

With demand for chicken very high during the summer, and some under-utilization of quota by Canadian producers during that period, it was felt that there could be an increased volume of supplementary import requests. However, this did not materialize, probably due to the fact that product was also difficult to obtain from the U.S. because of the severe drought conditions experienced there.

Supplementary import permits were actually granted for 3 Mkgs evis of chicken, an increase of 37% over 1985. Global import quota holders imported 27.7 Mkgs evis of chicken during 1986 which is 11% more than the previous year.

Studies prepared for the Department of External Affairs (Special Trade Relations Bureau) regarding the administration of the supplementary and global import systems were made available to the Agency for comments. The Agency was pleased to be provided with this opportunity and met on a number of occasions with officials of that department to review a discussion paper on the global and supplementary import system. This review is near completion and a final report from the Minister for International Trade is expected in early 1987. We look forward to continuing the co-operative working relationship with the Department as existing systems are reviewed.

NATIONAL PROMOTION

In early spring of 1986, the Agency's Board of Directors approved a recommendation made by the provincial secretary-managers and Agency staff to increase the promotion budget from $50,000 to $300,000 and hired Nutrition Directions Ltd., a Toronto based advertising company with many years experience in the promotion of generic food commodities, to develop and execute a national advertising campaign for chicken. This more aggressive approach to promotion was aimed at maintaining and increasing chicken consumption notably among middle to upper-middle income Canadians in the 18 - 48 age range who

are pursuing a healthier lifestyle. A marketing strategy was developed to maintain the awareness among consumers of chicken's versatility and appropriateness for modern lifestyles and in-home meal preparations.

The print media was chosen as the vehicle to reinforce chicken's versatility, cost and nutritive value to a target audience of approximately 7.4 million consumers during the fall and winter months. Magazine ads featuring the slogan "Chicken. It's as good as you think." were developed and placed in eight national magazines in both French and English whose readership encompassed the chosen target audience. Canadians were attracted to the light-looking graphics combined with whimsical captions such as "Chicken Feed", "Spring Chicken", and "Chicken Little", and featuring modern recipes which captured the spirit of chicken in today's environment.

In conjunction with the print campaign, the Agency worked with Nutrition Directions to develop and produce its first national bilingual recipe book entitled "Bright Lights" which complemented the thrust of the magazine advertising. The Agency and the provincial commodity boards have had a tremendous response to this cookbook whose upscale recipes provide numerous ideas for using chicken at lunch, dinner or snacktime.

Agency staff is pleased with the cautious, responsible and cost-effective approach taken by the Directors in promotional ventures to date. We feel that while our success in increased consumption of chicken has made us the envy of many other food groups, we cannot and should not take this success for granted. The marketplace is volatile, subject to new health trends and under increased pressure from competitive meat and fish marketers. Since consumer buying is influenced by factors other than price, a more aggressive commitment to the promotion of chicken over the long term is considered essential if Canadian chicken producers are to continue to be a part of a healthy, dynamic industry.

THE MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

Winnipeg, Manitoba

Year End Financial Statements

As At December 31, 1986

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FOREST GUENETTE CHAPUT COMPTABLES AGRÉÉS CHARTERED ACCOUNTANTS

262, Marion, Winnipeg, Manitoba, Canada R2H 0T7 (204) 233-8593

Auditors' Report

To the Board and Members
THE MANITOBA CHICKEN BROILER
PRODUCERS' MARKETING BOARD
Winnipeg, Manitoba

We have examined the balance sheet of THE MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD as at December 31, 1986 and the statement of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

The Marketing Board derives most of its revenue in the form of levies based on weight marketed. These amounts are not susceptible to complete audit examination and, accordingly, our work in respect of this revenue was limited to accounting for the amounts recorded in the books as reported to the Board by the processors.

In our opinion, except for adjustments which may have been required had we been able to extend our examination of revenue, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Marketing Boards in Manitoba applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
February 3, 1987

Forest Guenette Chaput
Chartered Accountants

Statement "1"

THE MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

Balance Sheet

As At December 31, 1986

	1986	1985
ASSETS		
Current Assets		
Cash	$ 38,599	50
Temporary investments	100,100	95,000
Accounts receivable	7,106	13,570
Prepaid expenses	1,193	780
Investment (Note "2")	50	50
	$ 147,048	109,450
LIABILTIES AND SURPLUS		
Current Liabilities		
Bank overdraft	$ ---	19,632
Accounts payable	11,351	8,244
	11,351	27,876
Surplus and Reserve		
Penalty Reserve Fund (Note "3")	32,781	29,259
Operating Surplus (Note "4")	102,916	52,315
	135,697	81,574
	$ 147,048	109,450

Statement "2"

THE MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

Statement of Revenue and Expenditures

Year Ended December 31, 1986

	1986 Budget	1986 Actual	1985 Actual
Revenue			
Producers' fees levied			
- for Manitoba Board	$ 209,600	207,164	185,431
- for Canadian Agency	55,700	55,116	72,613
Interest earned	10,000	8,101	5,491
	275,300	270,381	263,535
Expenditures			
Levies remitted to C.C.M.A.	55,700	55,116	72,613
Salaries and benefits	65,000	65,232	59,148
Advertising / Promotion	35,000	30,934	28,206
Directors' meetings (Note "6")	40,000	37,302	30,411
Postage, office supplies and furnishings	15,000	9,716	6,196
Legal and consultants' fees	10,000	3,000	5,741
Rent and light	4,000	4,054	3,743
Telephone	4,000	2,676	3,275
Audit fees	2,700	2,700	2,700
Meetings with producers	3,000	2,516	1,600
Travel	3,500	2,024	1,324
Dues and fees	2,000	1,216	1,311
General expense	2,000	1,185	1,429
Insurance	1,500	1,320	1,073
Subscriptions	1,500	789	957
	244,900	219,780	219,727
Surplus for year	$ 30,400	50,601	43,808

Statement "3"

THE MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At December 31, 1986

Note "1" Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles for Marketing Boards in Manitoba and reflect the following policies

(a) **Investment - Shares in C & T Exports Ltd.**

The investment in C & T EXPORTS LTD. is accounted for using the cost method.

(b) **Fixed Assets**

The fixed assets are expensed on the statement of revenue and expenditures in the year of their acquisition.

Note "2" Investment

The MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD owns one half of the issued capital of C & T EXPORTS LTD., a corporation constituted in Manitoba for the purpose of increasing the export markets for chicken and turkey. The MANITOBA TURKEY PRODUCERS' MARKETING BOARD owns the other half. Any deficits incurred by C & T EXPORTS LTD. are funded equally by the two Boards. As at December 31, 1986 C & T EXPORTS LTD. has an accumulated surplus of $6,136.

Note "3" Penalty Reserve Fund

The Penalty Reserve Fund is used to accumulate the penalties assessed to the producers for overmarketing. The fund is used to pay overmarketing penalties which may become payable to the Canadian Chicken Marketing Agency. The transactions in the fund were as follows:

	1986	1985
Reserve Fund balance, beginning of year	$ 29,259	28,161
Add: Overmarketing penalties assessed to producers	9,522	6,098
Deduct: Export costs (Note "5")	---	(1,000)
I.L.T. disease cost	---	(4,000)
Manitoba Poultry Health Advisory Committee for this Board's share of the purchase of an ELISA blood testing machine	6,000	---
Reserve Fund balance, end of year	$ 32,781	29,259

It is expected that no penalty will be payable to C.C.M.A. for 1986. No monetary penalty was incurred in 1985. The Penalty Reserve Fund is not funded in a separate bank account.

THE MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At December 31, 1986

Note "4" Operating Surplus

Operating surplus on the balance sheet, Statement "1", is arrived at as follows:

	1986	1985
Balance, beginning of year	$ 52,315	8,507
Add: Surplus for year (Statement "2")	50,601	43,808
Balance, end of year	$ 102,916	52,315

Note "5" Export Costs

Export costs in the amount of $1,000 shown as a deduction from the Penalty Reserve Fund (Note "3") in 1985 represent the cash remitted to C & T EXPORTS LTD. to defray costs of export of chicken. These exports reduce potential overmarketing penalties which could become payable to the Canadian Chicken Marketing Agency if the product had not been exported.

Note "6" Directors' Meetings

The directors' meeting expenditures are paid on the basis of approved rates as follows:

(1) Per diem remuneration - chairman $125 per day
- others $100 per day

(2) Expense allowance - $20 per day or $35 per day if outside Manitoba

(3) Mileage - 23.4 cents per kilometer up to 10,000 kilometers and
18.4 cents per kilometer up to 20,000 kilometers

(4) Other - actual cost

The directors' meeting expenditures on Statement "2" include the following:

	1986	1985
Per diem remuneration	$ 19,200	17,550
Expense allowance	3,966	3,032
Mileage	7,655	6,876
Other	6,481	2,953
	$ 37,302	30,411

Note "7" Pension Plan

The employees of the Board participate in the Manitoba Civil Service pension plan whereby contributions made by the employees are matched by contributions by the Board. In 1986 the Board contributed a total of $3,271 (1985 - $2,767), which is included in salaries and benefits.

Statement "3"
(Continued)

THE MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At December 31, 1986

Note "8" Lease Commitments

The Board has entered in a three (3) year lease agreement from October 1, 1985 to September 30, 1988 with the MANITOBA VEGETABLE PRODUCERS MARKETING BOARD for office space. The base rental is $7340.15 for the first year, $7,530.99 for the second year, and provisions are made for an increase in year 3 for increases in realty taxes, utility costs, janitorial services, insurance and maintenance over a 1982 base.

Note "9" Comparative Figures

Certain of the prior year's figures have been restated to conform with the current year's presentation.

C & T EXPORTS LTD.
Winnipeg, Manitoba

Year End Financial Statements

As At December 31, 1986

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FOREST GUENETTE CHAPUT COMPTABLES AGRÉÉS CHARTERED ACCOUNTANTS

262, Marion, Winnipeg, Manitoba, Canada R2H 0T7 (204) 233-8593

Auditors' Report

To the Shareholders
C & T EXPORTS LTD.
Winnipeg, Manitoba

We have examined the balance sheet of C & T EXPORTS LTD. as at December 31, 1986 and the statements of surplus and income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the corporation as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
February 6, 1987

Forest Guenette Chaput
Chartered Accountants

Statement "1"

C & T EXPORTS LTD.

Balance Sheet
As At December 31, 1986

	1986	1985
ASSETS		
Current Assets		
Cash	$ 6,865	6,760
Accounts receivable	106	94
	$ 6,971	6,854
LIABILITIES		
Current Liabilities		
Accounts payable	$ 735	700
Surplus		
Share capital, (Note "2")	100	100
Contributed surplus, (Note "3")	4,649	4,649
Surplus, Statement "2"	1,487	1,405
	6,236	6,154
	$ 6,971	6,854

Statement "2"

C & T EXPORTS LTD.

Statement of Surplus

Year Ended December 31, 1986

	1986	1985
Balance, beginning of year	$ 1,405	(364)
Add: Net income, Statement "3"	82	1,769
Balance, end of year	$ 1,487	1,405

Statement "3"

C & T EXPORTS LTD.

Statement of Income

Year Ended December 31, 1986

	1986	1985
Revenues		
Sale of products	$ 121,916	236,365
Manitoba Turkey Producers' Marketing Board	3,771	10,009
Industry assistance	1,420	---
Manitoba Chicken Broilers Producers' Marketing Board	---	1,000
Miscellaneous	528	664
Interest	236	199
	127,871	248,237
Expenditures		
Purchases of products	112,374	226,771
Shipping costs	11,164	17,212
Repayment of government grant	3,130	1,301
Audit fees	735	700
Legal fees	---	304
Bank charges and interest	22	79
Travel	13	76
Dues and fees	23	25
Price support costs	328	---
	127,789	246,468
Net income	$ 82	1,769

Statement "4"

C & T EXPORTS LTD.

Notes to Financial Statements

As At December 31, 1986

Note "1" Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles

Note "2" Share Capital

The corporation was constituted under the Corporations Act of Manitoba. The authorized capital of the corporation is an unlimited number of common shares with a maximum consideration of one ($1) one dollar each.

The issued capital of the corporation is 100 common shares for **$100**

Note "3" Contributed Surplus

The corporation has received funds, in excess of share cost, in the amount of $4,649 which are recorded as contributed surplus.

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

PROPOSED BUDGET

	1985 Actual	1986 Actual	1987 Budget
REVENUE			
- Manitoba Board Levy	$ 185,431.	$ 207,164.	$ 220,000.
- Canadian Agency Levy	72,613.	55,116.	58,000.
- Interest Income	5,491.	8,101.	8,000.
	$ 263,535.	$ 270,381.	$ 286,000.
EXPENDITURES			
C.C.M.A. Levies	$ 72,613.	$ 55,116.	$ 58,000.
Salaries & Benefits	59,148.	65,232.	68,000.
Advertising/Promotion	28,206.	30,934.	44,000.
Directors Meetings	30,411.	37,302.	40,000.
Postage, Office Supplies & Furnishings	6,196.	9,716.	10,000.
Legal Fees	5,741.	3,000.	8,000.
Rent & Light	3,743.	4,054.	4,300.
Audit Fees	2,700.	2,700.	3,675.
Travel/Expenses	1,324.	2,024.	4,000.
Telephone/Telex	3,275.	2,676.	4,000.
Dues & Fees	1,311.	1,216.	2,000.
Producer Meetings	1,600.	2,516.	3,000.
Subscriptions	957.	789.	1,500.
General Expense	1,429.	1,185.	2,000.
Insurance	1,073.	1,320.	1,825.
	$ 219,727.	$ 219,780.	$ 254,300.
Surplus [Deficit]	43,808.	50,601.	31,700.

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

ELECTION OF DIRECTORS

All registered producers, including the directors whose terms have expired, are eligible to stand for election as a director in the district where their main production unit is located.

Companies must designate their delegate, in writing. Designated delegates are also eligible to stand for office, provided that no conflict of interest exist between their position and the interests of the other producers.

Nomination forms will be made available, but nominations will also be accepted from the floor. Only those producers registered in the same district as the directors up for election will be able to nominate or vote for a director to represent that district.

Nominations are to be completed by the time the meeting reconvenes after lunch. Those persons nominated must either be present or have confirmed, in writing, that they are prepared to serve as a director if elected.

The election will be by ballot. Ballots will be available from the returning officer during the early part of the afternoon session.

Election results will be announced following the completion of the balloting.

One director is to be elected in each of the following districts:

District #2	Erwin Plett;
District #4	Waldie Klassen.

The following directors were elected at the 1986 annual meeting and have one more year to run in their term of office:

District #1	Ivan Olmstead;
District #3	John Friesen; and
District #5	Stan Antonissen.

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

EXPORT REPORT

C & T Exports Ltd., the export arm of the Manitoba Chicken Broiler Producers' Marketing Board and the Manitoba Turkey Producers' Marketing Board was successful in finalizing three sales of poultry meat to Japan in 1986. These sales totalled almost 30,000 kilograms, worth over $120,000.00.

The 1986 sales to Japan were made up entirely of turkey, both deboned meat and whole broilers. We were not successful in our negotiations to finalize a sale to Japan of chicken despite making a number of price offerings during the year.

We once again in 1986 grew a special flock of turkey Broilers for our customer in Japan, namely Z. Kuroda & Company. This special production is necessary to achieve a very exacting size of bird required by our customer.

The two Boards also co-operated closely with the Department of Regional Industrial Expansion and Manitoba Agriculture in setting up poultry farm and plant visits for two Japanese missions to Manitoba in 1986. The first group included about twelve representatives from Japanese Supermarket stores and a trading company executive. This visit took place from August 25 - 28, 1986.

The second mission to Manitoba was from September 28 to October 2, 1986 and also included representatives of Japanese Supermarket stores and a trading company member.

We realize the competition from other countries on Chicken and Turkey to Japan is very keen but we continue to press for sales and we stress our high quality and continuity of supply.

Frozen Chicken Sales

Year	Pounds	Kgs.	Dollar Value
1982	NO	SALES	NIL
1983	5,407	2,458	$ 6,550.00
1984	11,731	5,332	$14,594.00
1985	NO	SALES	NIL
1986	NO	SALES	NIL

Frozen Whole Turkey and Deboned Meat Sales

Year	Pounds	Kgs.	Dollar Value
1982	39,700	18,045	$ 54,800.00
1983	105,773	48,078	$205,300.00
1984	67,048	30,476	$119,360.00
1985	96,628	43,922	$236,365.00
1986	65,945	29,975	$121,952.00

MANITOBA CHICKEN BROILER PRODUCERS' MARKETING BOARD

ADVERTISING AND PROMOTION REPORT

The use of Manitoba-grown chicken is promoted through a wide variety of activities, aimed at many different market segments. In this way it is hoped that current users of chicken will be encouraged to continue to use large amounts of chicken, and low users will be encouraged to use more. At the same time, every attempt is made to project the image of chicken as a versatile, nutritious, low calorie and convenient product well-suited to today's lifestyles.

In 1986, the advertising and promotion budget made up 14% of the total Board budget. This included the salaries of two promotion staff (home economists), whose services were shared by the Manitoba Turkey and Vegetable Producers' Marketing Boards. In effect, Manitoba chicken producers have had the equivalent of one half-time staff person, planning co-ordinating and implementing the following promotional activities.

Media

Television - This consisted of regular demonstrations/interviews on two local television stations (30 min. weekly on CKY and 10 - 15 minutes monthly on CKND). Additional guest appearances were made on CKY and CKX (Brandon) featuring food dehydration ideas and on CKND relating to ethnic foods in conjunction with Folklorama. A total of 21,000 recipe booklets were distributed as a result of these programs. In the coming year, requests have been made for demonstrations/interviews on two programs —"Skittlebits" (on CKY television) which is oriented to children 5 - 12 years and "Youthline" (VPW television) geared to a teen-age audience. Since food habits are often established at a young age, reaching these younger audiences is very important.

Radio - A regular 2 minute "Consumer Update" tape is written and taped monthly for use by rural radio stations. Requests for interviews are also accommodated whenever possible. In December, CJOB radio requested staff to be available for 3 phone-in programs, each lasting between 90 - 180 minutes.

Print - Releases are sent to print media for specific events or promotions and staff maintain contact in order to supply up-to-date information on chicken whenever needed. Requests for material were received from "Seniors Today", a newspaper directed at senior citizens.

Consumer Requests - Because of high visibility within the media a number of consumer enquiries and requests are received. A total of 177 enquiries on chicken were dealt with in 1986.

Co-Operation with C.C.M.A.

Every attempt is made to support national endeavours locally and to provide input and feedback on promotional activities. In 1986, this included the purchase of over 12,000 copies of a new recipe brochure "Bright Lights", developed by the Agency for use with a national magazine campaign. When a release on the pamphlet was picked up by the "Winnipeg Free Press", staff sent out copies to 212 consumers who requested it. An evaluation of the booklet was also forwarded to the Agency at their request.

Liason with Processors and Retailers

Open lines of communication are maintained with processors and retailers to allow the Board to be kept up-to-date on new products, potential problems, as well as feedback on activities that have been carried out. During the past year questionnaires were sent to all processors asking them to list products they have available. Several new products, including chicken kiev and chicken côte de bleu have also been tested and when appropriate featured on television programs.

Japanese Visit

This summer when Japanese businessmen visited Manitoba to discuss purchasing chicken, they also wanted to taste some of our product. As a result, staff cooked and packed chicken pieces to be sampled by the Japanese, and encourage their purchase of the product.

Displays and Exhibits

The majority of displays in which the Board participates are done jointly with other Manitoba producer groups and co-ordinated by Manitoba Agriculture Marketing Branch. Over the last year, these have included St. Vital Centre (3 days), Brandon Royal Winter Fair (6 days), Garden City Shopping Centre (3 days), Kildonan Place (6 days) and Penner Foods store in Steinbach (1 day). A variety of chicken dishes from Crunchy Almond Chicken Thighs to Japanese Chicken Wings were sampled to consumers. Approximately 21,500 recipe sheets or booklets were distributed through these displays. In addition, for the first time a student was hired by the Manitoba Agriculture Marketing Branch to staff a booth at eleven summer fairs on behalf of Manitoba producer groups. She distributed 1,300 chicken pamphlets.

Demonstrations

Occasionally, when numbers of people warrant it, live demonstrations are conducted. This year this included one demonstration at ICG Appliance World. The demonstration in November featured entertaining ideas and gave the audience an interesting chicken appetizer for use during the holiday season.

Advertising

This is a very small part of the work done to promote chicken and the industry. During the past year only one advertisement was purchased. It was for the Who's Who edition of the "Canada Poultryman".

Foodservice

Because of the wide variety of further processed chicken products available for the foodservice market and the high demand for chicken by consumers, the use of chicken by foodservice establishments has increased in recent years. To support the gains made, the Board co-sponsored a luncheon for the Manitoba Restaurant and Foodservices Association, held during their conference and Centrex '86.

In addition, the Board sponsored a promotion in the café restaurant of the Delta Winnipeg during December. Table tent cards, aprons, buttons, fold-out chickens, posters and recipe brochures were supplied for use in the restaurant and by staff, during the month. The restaurant featured two excellent chicken items for their customers. Each customer purchasing a featured chicken item received a ballot for two draws per week to win four cornish hens, an apron and recipes. Incentive prizes were also provided to staff with the highest sales. While over $400.00 worth of sales were generated, this was down from the previous year. The reason appeared to be related to a much lower level of bookings within the hotel in 1986.

Education

Three times each year a newsletter and list of available resources, such as visual aids, pamphlets and posters, is sent to home economics teachers. This results in a great number of materials being ordered. At times information letters are also included. In 1986, articles were sent out on food irradiation, and describing the Manitoba Chicken Marketing Board and its operations.

Displays of our materials were set up at two teacher's conferences, one in Morden and the other in Winnipeg.

In addition, a student teacher was hired under a Careerstart grant to research the needs of teachers with regards to teaching materials and information needed on chicken. Using this information, she revised a teaching kit developed by the Ontario Board to meet the needs of Manitoba teachers. It is planned that this teaching kit will be published for distribution to teachers in the coming year.

Responding to Issues

In the last year, the Board has been asked to respond to several issues relating to chicken. In consultation with the General Manager and Board of Directors, letters have been written in response to the following issues: food irradiation, nutrition labelling, salmonella control and pesticide residues. Lastly, the Board was also represented on the Food Service Lead Committee, whose responsibility it is to make recommendations as to research that should be conducted relating to food.

Promotional Items

Brochures - Because of consumer demand, a reprint of the "Chicken Simply Sensational" pamphlet was necessary. However, when the "Bright Lights" pamphlet became available, a large quantity was purchased for use in Board promotional activities.

To support the fact that chicken is low calorie, nutritious and appropriate for active lifestyles, a mailing was sent out to health and fitness clubs in Manitoba offering pamphlets for use by their customers.

Aprons - Toward the end of 1986, the supply of "Check Out Chicken" aprons ran out, and a small supply of "I Love Chicken" aprons was purchased from the Ontario Board. These attractive red and yellow aprons have been very popular, and more will likely be ordered in the next year.

Donations

Throughout the year requests for donations are made from various groups and organizations. These are accommodated, as much as possible, through the provision of recipe pamphlets, aprons, toques, caps and posters. A listing of the various organizations, who have received donations, is included following this report.

It is evident from the wide variety of activities and the large numbers of materials distributed that thousands of Manitoba consumers are reached over the year. This is extremely important, given the tough competition for the consumer food dollar. While many of the more successful activities will be continued in the coming year, the Board is continually seeking new and more effective methods of promoting Manitoba-grown chicken.

Prepared By:

Linda Hogue
Janice Hutsal

List of Donations

Annual Social of the Manitoba Section, Canadian Institute of Food Science Technology
Balmoral Ladies Afternoon Curling Club
Bethania Mennonite Personal Care Home Inc.
Brandon Chapter of M. O. R. N. A.
Canadian Credit Institute 7th Annual Curling Bonspiel
Canadian Food Festival
Correctional Services Canada
Ecole La Verendrye Winter Carnival
Elkhorn District School Community Council
Elkhorn Fun Fair
Fourth Annual Canadian Association of Principals Conference
Granny's Poultry
Health Sciences Centre - Dietician and Interns Annual Picnic
Home Ec Teachers Seminar sponsored by Manitoba Hydro and Winnipeg Hydro
ICG Utilities - Greater Winnipeg Gas Company
Interlake Fitness Conference
Lions Place
Manitoba Farm Vacations Association
Manitoba Farm Women's Conference (Portage La Prairie)
Manitoba Hydro
Manitoba Motor League
Pinawa Co-Op Nursery School
Royal Canadian Legion - Manitoba and Northwestern Ontario
St. Boniface - Norwood Child and Family Resource Centre
Second Annual Baby Olympics
Selkirk Avenue Senior Citizens Centre
Strathcona School Summer Program
The Bay
Transcona Inner Wheel Club
Union of Manitoba Municipalities
Victoria Ladies Curling Club
Winnipeg Family Services Special Needs Day Care Department
Winnipeg Hydro Employees Care Auction
Y.M.C.A. Jewish Community Centre of Winnipeg

KEYSTONE AGRICULTURAL PRODUCERS INC.

REPORT

In January 1987 Keystone Agricultural Producers Inc. held their annual meeting. This marked the end of its third year as a competent farm policy organization under the able direction of its PRESIDENT - Jack Penner. Jack received excellent support from 1st VICE-PRESIDENT - Earl Geddes of Pilot Mound and 2nd VICE-PRESIDENT - Cam Henry from Oak River. Memberships during the 1986 year grew to 3,681 individual farm unit memberships (up nearly 900 from 1985) and 14 group memberships (up from 13 in 1985).

During 1986 KAP became affiliated with the Canadian Federation of Agriculture. This in itself was an extreme strain on KAP's budget. However it was felt that some avenue was required through which to become more effective in dealing with matters of national concern. Jack Penner served on CFA's board of directors as well as the executive.

Perhaps the most recent undertaking by KAP was a very strong representation made on the Special Canadian Grains Program (or Federal Deficiency Payment). KAP representatives were deeply involved in discussions and negotiations with other provincial farm policy organizations as well as Provincial and Federal government officials on the most appropriate methods of dividing the funds available under this program.

Another issue which KAP became involved with was in reaction to a proposed new Environment Act introduced into the Legislature in September. A statement was prepared and presented to the Minister of Environment expressing the concerns from within the farming community.

The Camp Wannakumbac program was originated by general farm organizations as part of development programs for farm youth. Sponsorship of this program is the responsibility of the Wasagaming Foundation; of which KAP is a partner along with Manitoba Pool Elevators Ltd., United Grain Growers and Federated Co-Operatives Ltd. Mr. Bob Douglas, KAP's general manager serves as the overall co-ordinator of this program which enjoyed the participation of 435 young people from rural Manitoba during the Summer of 1986.

Other issues dealt with during 1986 included farm fuel tax rebates, Bill -4- The Family Farm Protection Act, Drug Patent Act amendments, the Revenue Canada income tax audits of farmers and the inequities of property assessments with respect to School Taxes.

This has been a brief review of some of the activities of KAP over the past year.

Prepared By:

Bob Byle
KAP Representative
Director - M.T.P.M.B.